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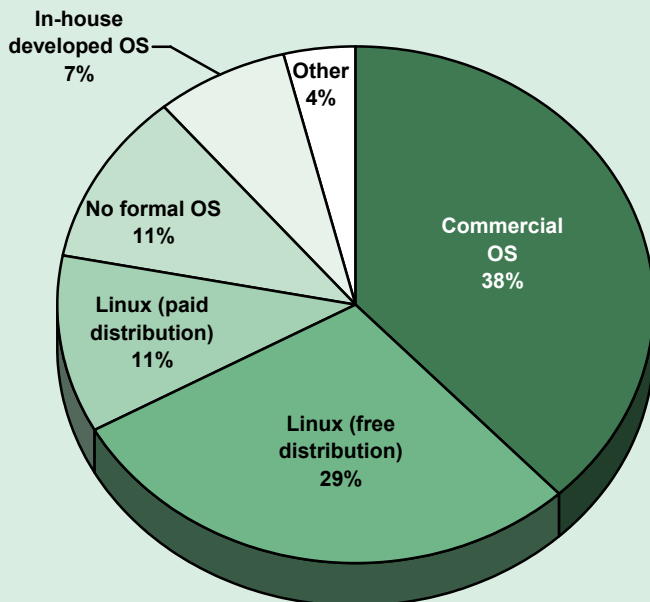
## ***Embedded Systems Manufacturer Indicate Future Commitment to the Linux Operating System***

**Natick, Massachusetts – October 3, 2007** – Recently published research by Venture Development Corporation (VDC) indicates that a significant portion of embedded software and systems engineering teams continue to adopt Linux as their primary target operating system. Furthermore, research also suggests that this migration may be lasting, as the majority of current Linux users surveyed plan to use Linux again as their primary operating system on future projects.

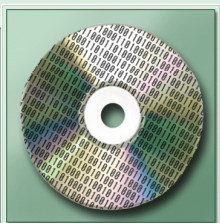
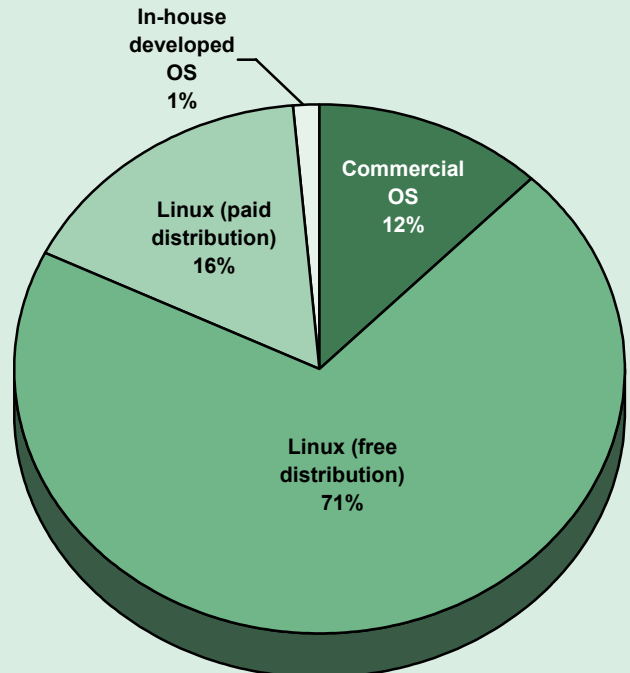
Linux remains an attractive operating system choice for a range of embedded development teams for a number of reasons, including: royalty free run-time costs, advanced networking capabilities and technical features, the large base of engineers familiar with the Linux operating system, as well as many other factors. These and other findings from VDC's *Linux in the Embedded Systems Market* report continue to suggest that Linux will remain one of the leading operating system choices into the future.

Primary Operating System Used by Current Linux Users on the Previous Project and Planned for the Next Project as Reported  
(Percent of Respondents)

Operating System Used on the Previous Project



Operating System Planned for Next Project





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"Linux has proven itself to be well suited for a wide range of applications across various industries, and continues to gain market share, despite not being particularly well matched for certain embedded applications types," according to Matt Volckmann, Senior Analyst/Program Manager with VDC's Embedded Software Practice. "Changes in the way that systems are designed will also allow Linux to continue to penetrate into segments of the market where the lack of capability was previously perceived as a barrier."

A more complex question is how opportunities for commercial solution suppliers will progress given the promise of more widespread Linux adoption in the embedded market. Currently, a majority of Linux projects do not obtain their Linux distributions from commercial suppliers. However, innovation within embedded Linux to date has relied heavily on support from commercial suppliers like MontaVista and others to make Linux a more viable operating system option within the embedded market. "At the root of most of the challenges faced by commercial suppliers is the question of how to bring significant additional value to an operating system that is freely available, continually improving, increasingly supported by embedded system/component suppliers, and in demand from companies interested in decreasing their overall development costs and/or bill of materials," says Volckmann.

While Linux has found its way into a number of embedded industries, one of the key opportunities for Linux over the next several years will be in the mobile phone market, where Linux is quickly becoming a leading application operating system, and manufacturers and telecom operators are rallying to drive more comprehensive, industry-specific Linux-based standards. VDC's *Linux in the Embedded Systems Market*, released in September 2007, explores these and other critical issues within the embedded Linux market.

## About VDC

Venture Development Corporation (VDC) is an independent technology market research and strategy consulting firm that specializes in a number of datacom/telecom, component, industrial, retail automation, RFID, AIDC, embedded, and defense markets. VDC has been operating since 1971, when graduates of the Harvard Business School and Massachusetts Institute of Technology founded the firm. Today, we employ a talented collection of analysts and consultants who offer a rare combination of expertise in the market research process; experience in technology product and program management; and formal training in engineering and marketing. VDC's clients include thousands of the largest and fastest-growing technology suppliers in the world and the most successful investors participating in the markets we cover.

For further information about VDC's *Embedded Software Market Intelligence Program – Volume 3: Linux in the Embedded Systems Market*, contact:

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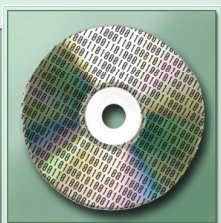
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